

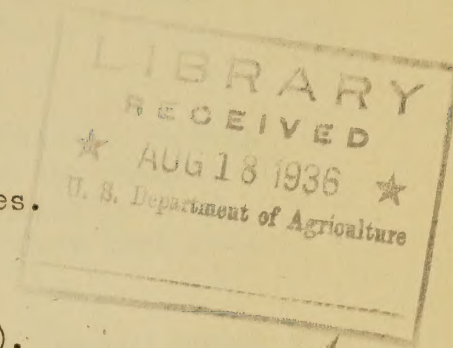
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July 28, 1936.

MEMORANDUM FOR THE SECRETARY

Brief Summary of Drought Situation and Activities.



1. The Drought Area - July 28, 1936 (See attached map).

Rainfall since July 1 has resulted in very substantial improvement in the situation in the Southeastern States. Aside from parts of Kentucky, which are still dry, recent rains have improved prospects for late crops, pastures, emergency forage, etc. The problem in this area is almost wholly one of human relief - work relief and emergency loans and grants.

The situation in the western corn belt area has become increasingly serious during July. Southern Minnesota, Iowa, Northern Missouri, Kansas, and Nebraska have had less than 20 percent of normal rainfall since July 1 and very high temperatures have prevailed during much of this period. Continued and rapid deterioration in the condition of pastures and crops is reported from this area. Parts of Kansas and Nebraska have recently been added to the emergency drought area, and requests for the designation of additional counties are expected this week.

In the Eastern corn belt conditions have been somewhat more favorable. Illinois and Indiana have had about 50 percent of normal rainfall in July and Ohio about 67 percent of normal. Temperatures in this area have also averaged somewhat lower in relation to normal than in the western corn belt states.

The situation in the four northwest states, Montana, Wyoming, North Dakota and South Dakota continues extremely serious. Local rains and showers have been helpful, particularly in eastern Montana, but in most cases they have not been sufficient to revive pastures.

2. The Livestock Problem.

(a) Cattle purchases.

Since July 20 representatives of the Agricultural Adjustment Administration have been in the principal markets adjacent to the

drought area prepared to make purchases if necessary to prevent market demoralization. No purchases have been made, however, and prices of most classes and grades of cattle have been steady to strong during this period. Purchases can be initiated at any time that market conditions warrant.

The movement of stocker and feeder classes of livestock through the central markets has been relatively heavy for this season of the year and at reasonable prices in view of prospective feed situation. Prices for cutter and canner classes have been well maintained.

An inventory of the cattle remaining in the worst drought areas is now being taken with a view to determining the steps which may have to be taken later on.

(b) Sheep.

The current price situation for slaughter sheep and lambs is good. A serious problem may develop with respect to the market for feeder lambs and surplus breeding ewes at a later date. An appraisal of this situation is now in process.

3. Feed situation.

- (a) Hay and roughage situation in relation to the number of animals concerned is not greatly below normal, except in the Dakotas, eastern Montana and Missouri (and locally, of course, in many states). Prices have advanced sharply but there has been only a limited movement and reduced freight rates and publicity as to supplies are expected to prevent further sharp advances.
- (b) Grains and concentrates. The western corn belt and the plains states will be very short of feed grains. Efforts to conserve feed supplies need to be inaugurated promptly. Proposals for utilizing corn as silage will be submitted through the Extension Services this week.
- (c) The Federal Livestock Feed Agency is functioning at Kansas City. Listing of supplies by sellers and of requirements by buyers promises to be very helpful in preventing undue price advances, particularly with respect to hay and roughage.
- (d) The Resettlement Administration has established a central feed procurement agency at Kansas City. This agency will handle the purchase of pooled orders for hay and roughage by Resettlement clients and others in the drought areas. The agency will supplement the activities of the regular feed dealers and will utilize the distribution facilities of established feed dealers.

4. Freight Rate Reductions.

(a) Feed.

Emergency rates have been granted on the movement of hay (66 2/3% of normal) and other roughage (50% of normal) in the drought areas of the Northwest.

No reductions have yet been granted on grains or other concentrates and it is doubtful if all of the roads will grant such reductions although the matter is still under consideration.

(b) Livestock.

Emergency rates are in effect in the Northwest on the movement of livestock to feed and pasture and return to point of origin. This rate provides for 85% of the normal rate on the out movement and a 15% rate on the return movement.

5. Seed Conservation.

Representatives of the Dakotas and Montana have requested the purchase of about 8,000,000 bushels of high grade seed wheat, oats, barley and flax for resale to farmers for seeding in the Spring of 1937. This recommendation is more conservative than the program carried out in 1934 and it is believed that a limited program of this type would be beneficial.

Such a program can be handled by the Federal Surplus Commodities Corporation with funds borrowed from the Commodity Credit Corporation. The operation should be largely self-liquidating, but the seriousness of the situation appears to justify undertaking the program, even if the Federal Surplus Commodities Corporation should eventually incur a moderate loss on the purchase and resale of seed.

6. Modification of AAA Soil Conservation Programs.

Extensive modifications in the Agricultural Adjustment Administration soil conservation program have been made in an effort to encourage the production of food and feed crops and requirements for qualification for soil conserving payments have been made in order to meet the circumstances created by the drought. (See attached statement).

7. Surplus Food Commodities for Affected Areas.

Special effort is being directed to supplying the drought areas with such supplies of surplus food products as are available as a result of purchases in other areas. Requests have been received for additional quantities of food products, particularly

fruits and vegetables. Supplies of prunes, pears, flour, beans, onions and fresh and dry peas have been diverted to the worst affected areas. Local supplies of canned beef from the 1934 program are still available.

8. The Resettlement Program of Loans and Grants. (Separate report attached.)

9. Works Progress Administration - Work Relief. (Separate report attached.)

(a) Soil conservation projects. - \$1,500,000 in 12 states.
1,112 persons reported employed in six states on July 25, with
1,600 to 1,700 more on August 1.

(b) Bureau of Biological Survey.

Allotment of \$600,000 - 5 states.

Respectfully submitted,

J. W. Tapp,
Chairman, Department Drought Committee.

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DROUGHT RELIEF PROGRAM OF THE RESETTLEMENT ADMINISTRATION

(Prepared July 25, 1936, by the Rehabilitation Division
of Resettlement Administration)

The Resettlement Administration now has in operation a four-point program in the drought area embracing:

1. Grants for human subsistence to farm families in need of public aid who cannot obtain WPA employment; 2. Loans for the purchase of feed for subsistence livestock (work stock required for farm work, cows, pigs, and chickens needed to produce home supplies, dairy, poultry, and pork products), and loans for the purchase of feed and/or the transportation of foundation herds of beef and dairy animals; 3. Central Feed Purchasing Service now ready to function in the States of North Dakota, South Dakota, Montana, and Wyoming, and susceptible of expansion to other States in case established feed distribution agencies prove inadequate; 4. Emergency rehabilitation loans to finance the purchase of seed and the growing and harvesting of crops by drought victims unable to obtain credit from other credit agencies.

Five million dollars made available to the Resettlement Administration by the President for use in drought areas have been allocated to seventeen States for the purposes as above indicated. Two and one-half million dollars made available by the President on July 24 will be allocated immediately.

Pertinent information relative to each of the four phases of the Resettlement Administration drought program follows:

I. GRANTS FOR HUMAN SUBSISTENCE:

Providing employment on WPA projects is regarded as the preferred method of rendering subsistence aid in drought areas and Rehabilitation

employees are expected to cooperate with WPA representatives in filling WPA quotas. Within the limit of funds available any farm family, whether a Rehabilitation client or not, which cannot obtain employment under WPA and which does not have and cannot otherwise obtain the means for providing necessary subsistence is eligible for a subsistence grant from the Resettlement Administration. Such grants are to be limited to actual needs as determined by investigation of individual cases. Grants are not made for the care of livestock, for the purchase of seed, or for any purpose whatsoever other than human subsistence.

When grant funds for human subsistence are allocated to States in which drought counties are designated, such funds may be used to alleviate distress outside of drought designated counties.

II. LIVESTOCK LOANS:

Since funds available or likely to be available for meeting the livestock problems in drought areas are inadequate for all needs, preference is given to maintaining work stock, milk cows, poultry, hogs, and sheep actually required for farm work and for consumption on the farm. The number of units of such subsistence livestock should be held to the minimum consistent with the efficient operation of the farm and economical maintenance of the family (Regional and State directors of the Resettlement Administration have been advised of the number of subsistence livestock units for which loans will be made available in various States). Because of the limitation of funds the Resettlement Administration has likewise placed limits by States on the maximum individual loan and maximum average

of all loans that can be made for the purpose of maintaining foundation herds of cattle or flocks of sheep in drought areas (Regional directors and State directors of the Resettlement Administration have been advised of these limits). It is not necessary that foundation herds of dairy or beef animals be pure-bred animals. If prices of feed become so high that subsistence livestock and foundation herds can be replaced at the conclusion of the drought period more advantageously than they can be maintained by the Resettlement Administration, loans for purchasing feed for such livestock will be discontinued.

III. CENTRAL FEED PURCHASING SERVICE:

The Central Feed Purchasing Service, set up under the Resettlement Administration in Kansas City to serve the States of North Dakota, South Dakota, Montana, and Wyoming, operates by purchasing feed based on orders from drought victims to whom feed loans have been made. The borrowers indorse their checks over to the State Rehabilitation Corporations. The orders are consolidated by County Rehabilitation Supervisors and forwarded to the purchasing officer. Cattle men who have credit, or are able to obtain credit, may use this same service, the only difference being that they finance feed purchases from their own resources rather than from funds borrowed from the Resettlement Administration. When established feed dealers are able to supply feed on satisfactory terms the Central Purchasing Organization need not be utilized.

IV. EMERGENCY LOANS FOR CROP PRODUCTION:

When rains fall in drought areas in which regular crops have been destroyed or seriously damaged, there is a demand for loans for

planting quick maturing crops for forage purposes. Also in some sections it is necessary to start preparing land for fall seeding of wheat and other crops. Within the limit of funds available the Resettlement Administration is making emergency rehabilitation loans to drought victims for crop production purposes. Such loans are made only when there appears to be reasonable expectation of a crop that will justify the outlay for seed and labor incident to planting, harvesting, and marketing of crops.

C O P Y

WORKS PROGRESS ADMINISTRATION
Washington, D. C.

July 27, 1936

Mr. Jesse W. Tapp, Assistant Administrator,
Agriculture Adjustment Administration,
Chairman of the Emergency Drought Committee,
South Agriculture Building,
Washington, D. C.

Subject: Report on Works Progress Administration
Drought activities and information.

Dear Mr. Tapp:

The following information on drought activities of the Works Progress Administration is briefly:

Employees on Works Progress Administration projects are not in all cases at present identified as between drought cases and others, but the tabulation below will indicate those identified as drought cases employed on the 24th of July

Arkansas	2,200
Georgia	1,250
Minnesota	1,067
Montana	2,800
North Dakota	12,700
Oklahoma	6,000
South Dakota	12,800
Wyoming	875
Total	<hr/> 39,692

Quotas for added employed are being adjusted as required. For other drought States, regular Works Progress Administration quota authorizations have not generally been exceeded and provide for new cases received because of the drought. The only special funds in addition to those created by regular Works Progress Administration allotments have been in the use of \$1,000,000 as a part of the \$3,000,000 cash allotment made by the President for the drought, for dams and wells in North Dakota, and also \$100,000 allotted from regular funds to North Dakota, for harvesting grain and livestock feed on publicly owned lands. Since July 17, the rate of increase of added cases has been small.

Projects available for employment and particularly for drought employees are being developed and approved sufficiently to care for cases as rapidly as certified. Special types of projects particularly for water conservation including wells, ponds, and small lakes have been developed and put into operation. Approximately 400 of such projects have been approved by the President, 200 or more of which are in operation.

Difficulties with respect to such work on private lands have been overcome, and the field notified, by the securing of easements wherever such work is done, opening this improvement for public use. We are operating projects only on publicly owned or land dedicated to the public by easements.

Field action and inter-agency conferences are in process to clearly inform regarding the intake and certification of drought cases to work on projects. This will prevent delay in receiving certified persons for immediate employment.

Output of sewing room projects is being increased to meet the local agency demands for added clothing and household supplies. Practical nurses on health projects in community service centers are giving service to those in need coming to these centers and also to motherless children in the homes.

We have organized a single division in this Administration for the centralization of all drought activity movements and for complete coordination.

Yours very truly,

/s/ Aubrey Williams
Acting Administrator.

Project available for equipment and particularly for transport equipment are being handled and approved with a view to being made available as required. Special cases of projects particularly for cases where special equipment is needed, and will have been developed and put into operation. Approximately 400 of such projects have been approved by the Executive, 200 of which are in operation.

Difficulties with transport as well as on private lands have been overcome, and the field needed, by the securing of equipment wherever such work is done, opening new equipment for public use. We are operating projects only on projects owned or land belonging to the public by agreement.

This action and information and in progress is clearly shown regarding the future and continuation of projects owned or work on projects. This will prevent delay in receiving equipment for immediate equipment.

Output of working from projects is being increased to meet the local energy demands for water, electricity and household supplies. Special cases in health projects in community service centers and public service to those in need of such services and also in emergency children in the home.

We have organized a special division in this Administration for the coordination of all projects, services, equipment and for equipment.

Yours very truly,

W. A. R. Williams
Acting Administrator

C O P Y

RESETTLEMENT ADMINISTRATION

To Jesse W. Tapp, Chairman of Drought Committee Date July 28, 1936
Department of Agriculture

From Paul V. Maris, Acting Director
Rural Rehabilitation Division

Subject - Money for Drought Purposes.

The accumulative totals of money made available for emergency drought States are as follows:

Minnesota	\$165,000
Missouri	450,000
Kentucky	290,000
North Carolina	140,000
Virginia	43,750
Georgia	400,000
South Carolina	230,000
Arkansas	45,000
Kansas	280,000
Kansas (Reg. 12)	100,000
North Dakota	665,000
South Dakota	665,000
Oklahoma	275,000
Oklahoma (Reg.12)	17,000
Colorado	150,000
Colorado (Reg.12)	120,000
Montana	290,000
Wyoming	120,000

The balances referred to in our memo of July 17, have been withdrawn and the amounts spent during these few days cannot be ascertained at the present time.

